



North Lily Mining Company

April 27, 1992

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED

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DIVISION OF
OIL GAS & MINING

Attention: Mr. D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

Subject: Comments on the Conditional Approval of Permit, Tintic Heap Leach
Project, M/023/007 Juab County, Utah

Dear Mr. Hedberg:

Pursuant to your letter of April 22, 1992, the following comments are presented to clarify the remaining questions/concerns that remain on North Lily Mining Company's permit amendment:

1. R647-4-105 Maps, Drawings and Photographs - AAG

Area measurements differ because it is North Lily's intent to disturb only the areas that have previously been disturbed and to make every attempt to keep the disturbance to a minimum. However, realistically there will be areas where North Lily will impact beyond the old dump sites, thus the acreage proposed in the permit amendment exceed what North Lily hopes/intends to disturb. In the case of Colorado #1, North Lily intends to remove most of the dump material from the road, loading the material via a track backhoe into dump trucks and screening at the Iron Blossom #3 dump site, thus diminishing the disturbed area. After further review, in the case of the Eagle Dump, the area of disturbance will most likely be 5.5 to 6.0 areas instead of the 3.4 requested in the amendment.

The Eureka Hill Railroad Grade acreage disturbed was included with the Eureka Hill Dump and post reclamation will coincide with reclamation of the Eureka Hill. The Eureka Hill Railroad Grade and Eureka Hill Dump are one in the same but the ownership differs, thus they were treated differently but reclamation will be completed at the same time. Only a small portion of the Eureka Hill Railroad Grade was removed and consisted, for the most part, of material laying on the top of dump material used in the past as a railroad grade and tailings for a previously milling operation.

2. R647-4-110.5 Reclamation Plan, Revegetation Program - HWS

North Lily will change the language under this section of the plan to read: The seed rate will be 20 lb/acre PLS, if drill seeded and increased by 1/3, if broadcast. The seed mix for inaccessible areas will be Agropyron smithii.

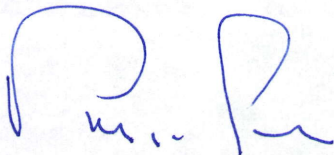
*no comment
on hay mulch
requirement
made*

3. R647-4-113 Reclamation Surety - AAG

North Lily agrees and will reclaim concurrently with mining to maintain and not exceed a constant level of disturbed acreage. All areas disturbed in 1991 and through the 1992 summer seasons will be seeded and regraded in the fall of 1992. Any areas reclaimed in the past by North Lily will be checked in the fall of 1992 and if needed will be reseeded.

Thank you, and your group for your consideration and if you have any additional questions/concerns please contact me. Thanks again.

Sincerely,



Paul C. Spor
General Manager

PS/dp